

FEMP ESPC Project Development Resource Guide

**A Guide to FEMP Resources and
Deliverables for DOE—IDIQ ESPC
Project Facilitators and Federal
Project Executives**

Prepared for the U.S. Department of Energy
Federal Energy Management Program

By Oak Ridge National Laboratory

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1. Introduction

This guide charts the Federal Energy Management Program (FEMP) process for providing project development support to agencies developing Energy Savings Performance Contract (ESPC) projects using the U.S. Department of Energy (DOE) indefinite-delivery, indefinite-quantity (IDIQ) ESPC. Within that process, the guide outlines: (1) the resources that Project Facilitators (PFs) and Federal Project Executives (FPEs) are required to use in their lead role in the delivery of project development services, and (2) minimum requirements for project documentation.

Note that the requirements for PFs apply to all PFs working on projects to be awarded under the DOE IDIQ ESPC, i.e., to both PFs provided by FEMP (“DOE PFs”) and agencies (“non-DOE PFs”). One deviation permitted is that for projects facilitated by “non-DOE PFs”, the non-DOE PF may follow an alternate process that the agency deems is at least equivalent to all steps, resources required for use, and deliverables required under the standardized process documented here.

2. Applicability

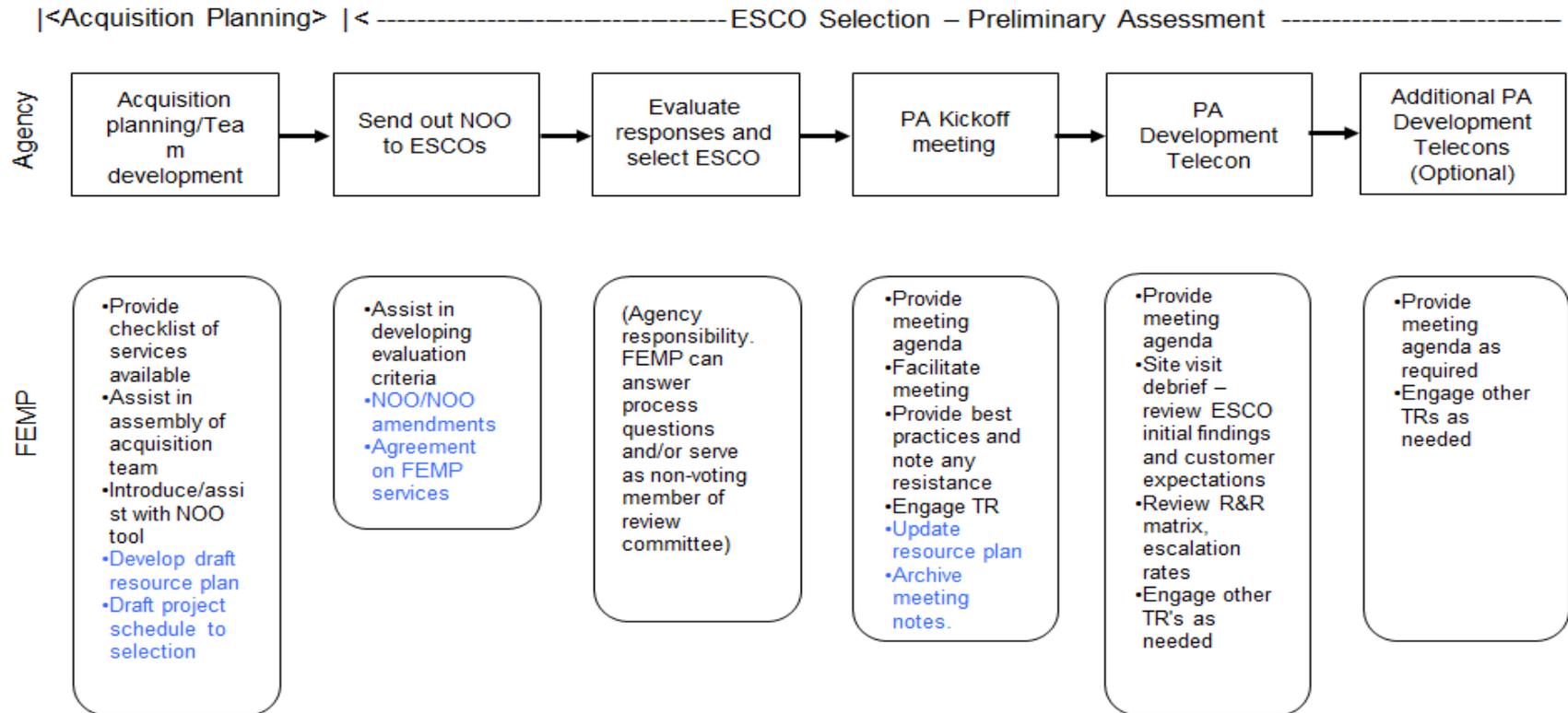
This guide and the numerous project development resources it references could be applied and/or adapted to ESPC projects pursued outside the federal government (by states, municipalities, and others). While developed specifically for the federal government, the standardized development process and tools described here could jump-start any adopter with a time-tested and consistent process for developing ESPC projects.

3. FEMP Assistance During the ESPC Development Process

The following process chart identifies the primary activities in the FEMP ESPC project development process and the services provided by PFs, FPEs, and Technical Resources (TRs) — throughout ESPC project development.

The documents to be archived as ESPC project documentation are also shown in the charts, and are identified alongside additional detail in Section 4.

FEMP Assistance During ESPC Development Process

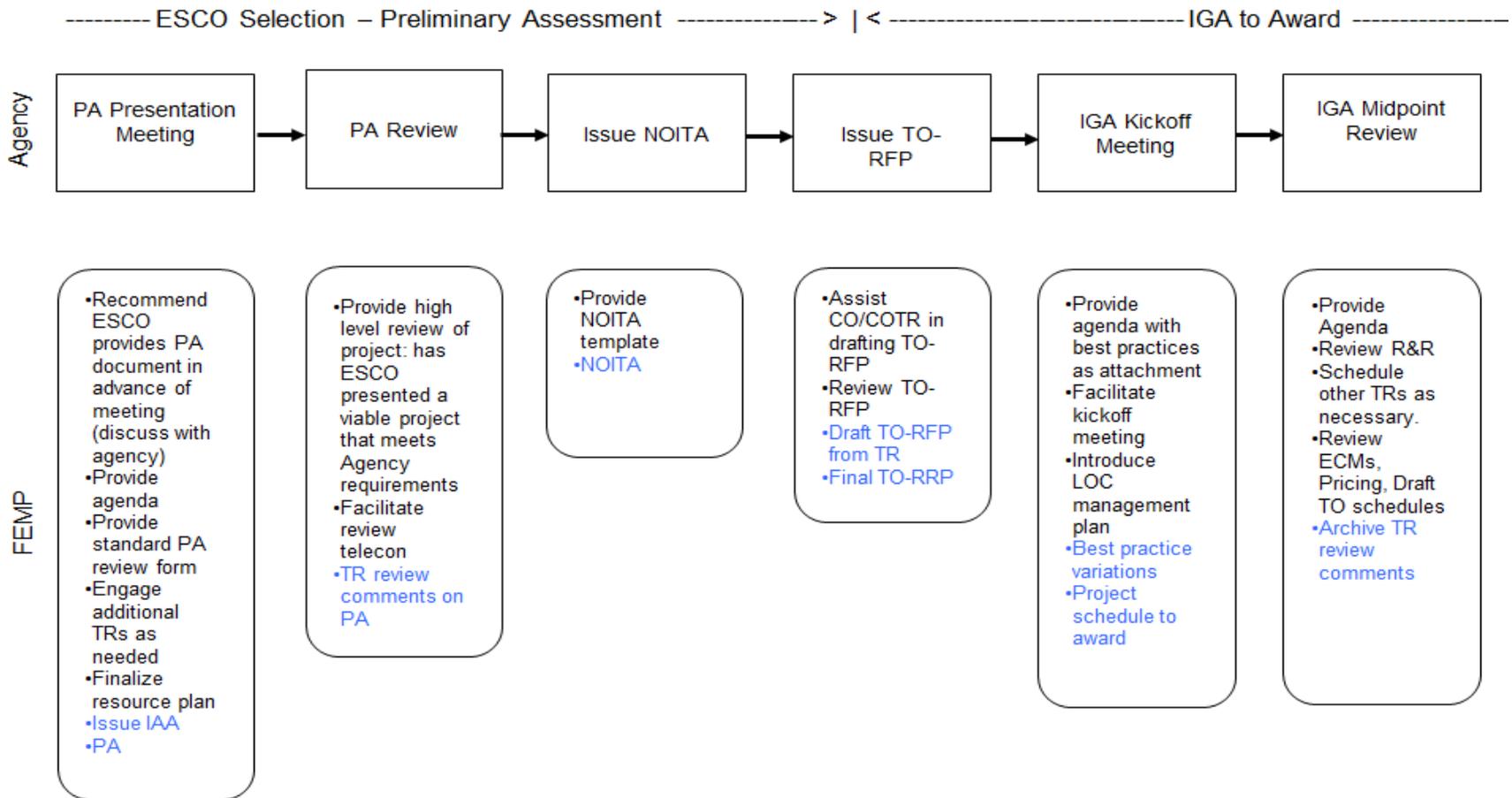


Black items represent FEMP Services

Blue items archived as Project QA Records

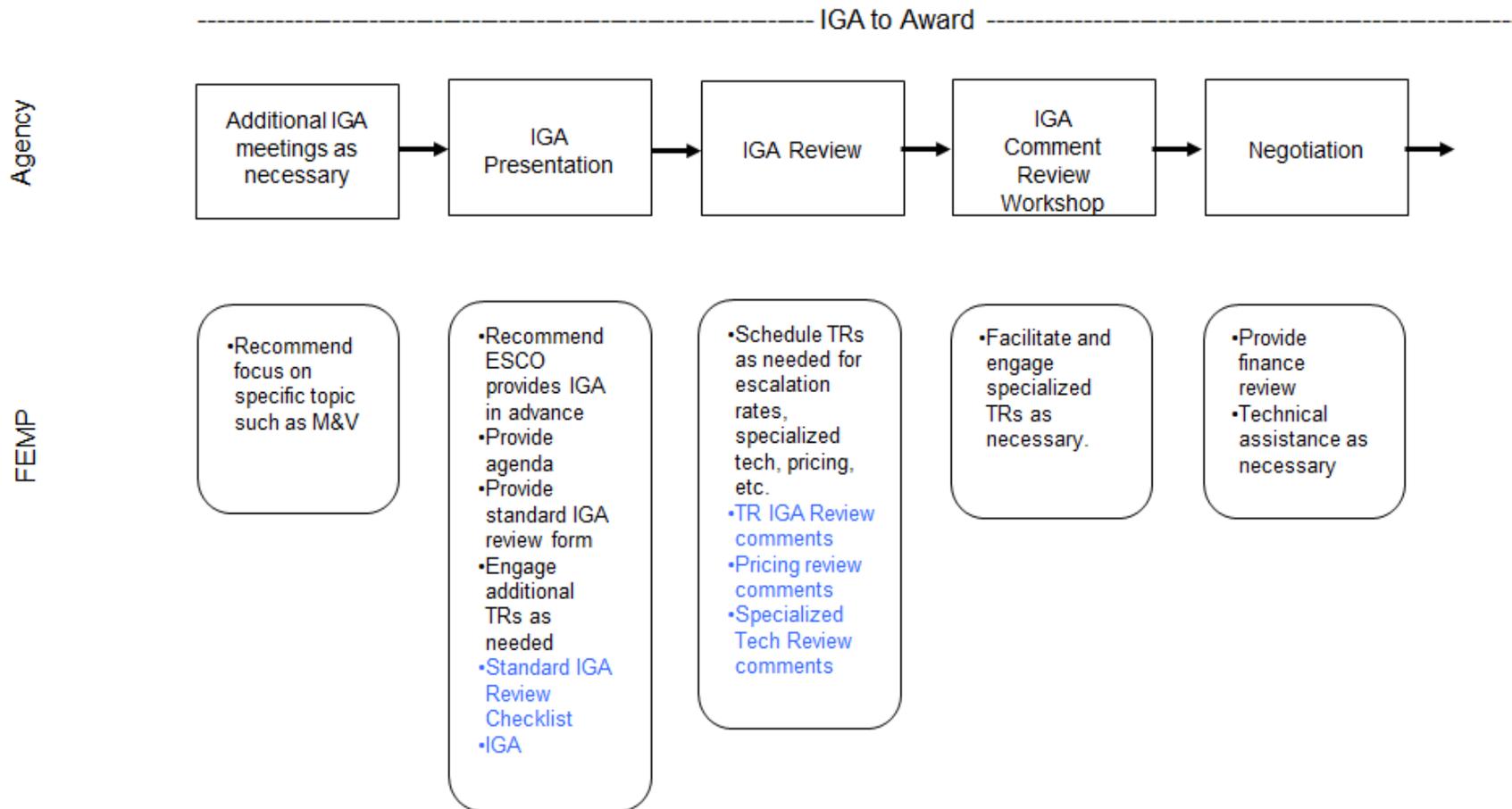
*Items in blue are project deliverables.

FEMP Assistance During ESPC Development Process



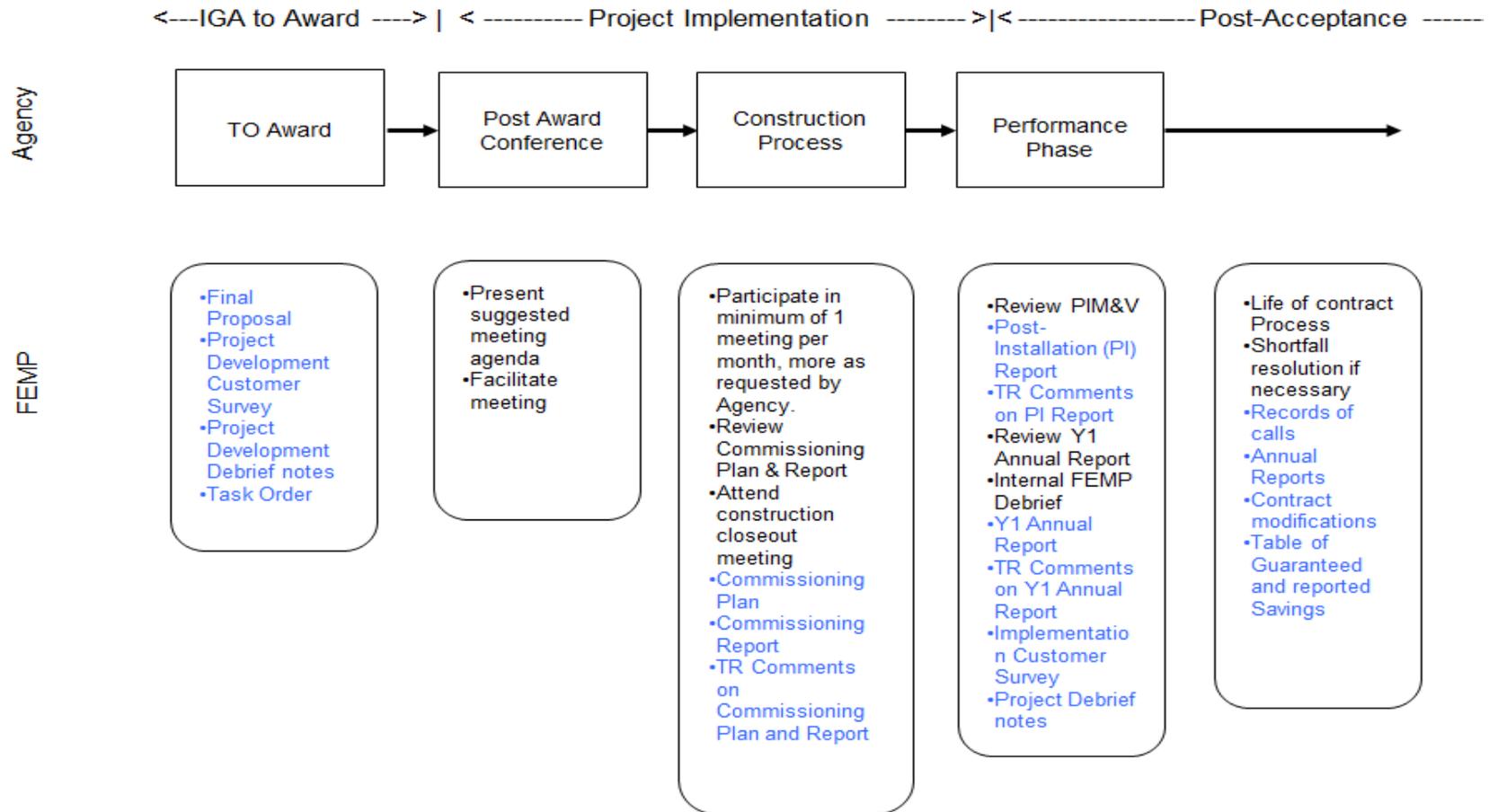
*Items in blue are project deliverables.

FEMP Assistance During ESPC Development Process



*Items in blue are project deliverables.

FEMP Assistance During ESPC Development Process



*Items in blue are project deliverables.

4. FEMP ESPC Project Development Resource Documents and Required Records

Table 1 lists the FEMP resource documents, tools, templates, and records by project phase that FEMP requires for PF and FPE use in supporting DOE-IDIQ ESPC projects. The PF and FPE are also required to submit some of these documents as deliverables (the items highlighted in yellow). The table shows which documents are deliverables, the parties responsible for their delivery, and where each is to be delivered. To familiarize and educate users on the intent of these resources, the table also briefly describes the purpose of each resource and deliverable. PFs and FPEs should note that many of these resources represent minimum requirements (for example, agendas identify the topics PFs and FPEs are *required* to address at meetings; the topics should be supplemented as needed).

Note that the requirements for PFs apply to all PFs working on projects to be awarded under the DOE IDIQ ESPC, i.e., to both PFs provided by FEMP (“DOE PFs”) and agencies (“non-DOE PFs”). One deviation permitted is that for projects facilitated by “non-DOE PFs”, the non-DOE PF may follow an alternate process that the agency deems is at least equivalent to all steps, resources required for use, and deliverables required under the standardized process documented here. In addition, because the PF is contracted directly to the agency for a project facilitated by a “non-DOE PF”, the PF deliverables (or equivalents) in Table 1 are delivered to a point of contact identified in the agency PF contract.

Note that the requirement to complete and archive record copies is new for some of the documents in Table 1.

The resource documents, which are provided in hard copy in the appendix, are available in electronic format under “Resources” at this FEMP ESPC website -- <http://energy.gov/eere/femp/energy-savings-performance-contracts>. Should updates occur to any of the “hard-copy” resources in the appendix, the updated web-based versions take precedence.

Table 1. ESPC Project Development Resources Required for PF and FPE Use and Associated Deliverables (deliverables are highlighted in yellow)

Item: Tool/Template/Document/ Record	Party responsible for using/ delivering	Party to receive item/ deliverable	Purpose of document
Phase 1: Acquisition Planning			
*Agenda: Initial Agency Briefing	FPE		Standardized agenda for FPE’s initial briefing to agency
*FEMP Services List	FPE	Agency	List FPEs use to inform agency of available FEMP project support services
*Project Resource Plan	FPE	ORNL	Outlines FPE role in project resourcing; identifies FEMP resource pool
<u>*Draft Project Schedule</u>	FPE	ORNL	Tool for FPE use in building project schedule
<u>*NOO Template</u>	FPE	Agency	Template FPE provides to facilitate NOO development
Phase 2: ESCO Selection to PA			
<u>NOO/NOO Amendments</u>	FPE	ORNL	Project documentation
*FEMP Services Agreement	FPE	ORNL/GFO	Template/checklist for identifying FEMP services to be provided; agreement to be formalized through Interagency Agreement.
*PA: KO Meeting Agenda	PF		Standard agenda for PA kickoff meeting
<u>*FEMP Best Practices and Lessons Learned for Federal Agency ESPC Projects</u>	FPE	Agency	To be provided to agency in preparation for proceeding with PA
<u>*FEMP ESPC Best Practices: Agency Plan/Variations</u>	FPE	ORNL	Documentation prepared by FPE of agency compliance or variance with FEMP best practices
*IAA: Interagency Agreement for DOE Project Facilitator Support Form	GFO		Template for agency agreement with DOE for PF support
IAA: Interagency Agreement for DOE Project Facilitator Support	GFO	GFO	Agency agreement with DOE for PF support
*Agenda: PA Development Telecon	PF		Standard agenda for PA development telecon
<u>PA: Preliminary Assessment</u>	ESCO	GFO	Record copy
*ESPC Project Review Comment Template	PF		Template for PF review of PA, IGA, Commissioning Plan, and other ESCO deliverables

PA: Review Comments by PF	PF	GFO**	Documentation of PF review of PA
*NOITA: Notice of Intent to Award Template	FPE	Agency	Template/example to facilitate agency preparation of NOITA
<i>NOITA: Notice of Intent to Award</i>	FPE	ORNL	Project documentation
Phase 3: IGA to Award			
*DOE ESPC TO-RFP Template (first page only)	PF		Template to facilitate PF drafting and agency finalizing of TO-RFP
TO-RFP: Draft by PF	PF	Agency/ GFO**	Agency use in drafting TO-RFP/Project documentation
TO-RFP: Final	FPE	ORNL	Project documentation
*IGA Kickoff Meeting Agenda	PF		Standard agenda for IGA kickoff meeting
*IGA Midpoint Review Meeting Agenda	PF		Standard agenda for IGA midpoint review meeting
IGA Midpoint Review Comments by PF	PF	GFO**	Project documentation
<i>IGA: Investment Grade Audit</i>	ESCO	GFO	Record copy
*IGA: Review Workshop Agenda	PF		Standard agenda for IGA review workshop
*IGA Review Checklist	PF	GFO**	Checklist for PF use in reviewing IGA
IGA: Review Comments by PF/TR (IGA, pricing, special techs, ...)	PF/TRs	GFO** (PF) ORNL (TR)	Project documentation
<i>*ESPC Project Finance Review</i>	TR – ORNL	ORNL	Form for use in documenting review of project financing
<i>TO (Final Proposal & Amendments)</i>	Agency	GFO	Record copy
Development: Customer Survey	TM	ORNL	Survey to administer to agency to gather feedback on agency's view of ESPC project development
Development Project Debrief Agenda	TM		Standard agenda for FPE/PF debrief regarding project development
Development: Project Debrief Notes	TM	ORNL	Project documentation
Phase 4: Project Implementation			
*Construction: Kickoff Meeting Agenda	PF		Standard agenda for construction kickoff meeting
<i>Construction Submittals</i>	ESCO	Agency	Record copy
<i>Commissioning Plan</i>	ESCO	GFO	Record copy
Commissioning Plan: Review Comments by PF	PF	GFO**	Project documentation of PF review of commissioning plan
<i>Commissioning Report</i>	ESCO	GFO	Record copy

Commissioning Report: Review Comments by PF	PF	GFO**	Project documentation of PF review of commissioning report
Implementation: Customer Survey	TM	ORNL	Survey to administer to gather agency feedback on project implementation
Implementation: Project Debrief Agenda	TM		Standard agenda for FPE/PF debrief regarding project implementation
Implementation: Project Debrief Notes	TM	ORNL	Project documentation
<i>Post Installation (PI) M&V Report</i>	ESCO	GFO	Record copy
PI M&V Report: Review Comments by PF	PF	GFO**	Project documentation of PF review of post-installation M&V report
Phase 5: Post-Acceptance Performance			
<i>Annual M&V Report</i>	ESCO	GFO	Record copy
Annual M&V Report: Review Comments by PF	PF	GFO**	Project documentation of PF review of first annual M&V report

*Denotes a tool, template, or document provided in hard copy in the appendix of this guide.

**In the case of a “non-DOE PF” facilitated project, the PF will provide the deliverable or equivalent deliverable to a point of contact identified by the agency that contracted the PF (instead of the DOE GFO).

Table 2. Subset of Table 1 for FPEs: ESPC Project Development Resources Required for FPE Use and Associated Deliverables for FPEs, the ESCO, TRs, and the Agency (for projects facilitated by “non-DOE PFs”) (deliverables are highlighted in yellow)

Item: Tool/Template/Document/ Record	Party responsible for using/ delivering	Party to receive item/ deliverable	Purpose of document
Phase 1: Acquisition Planning			
<i><u>*Draft Project Schedule</u></i>	FPE	ORNL	Tool for FPE use in building project schedule
<i><u>*NOO Template</u></i>	FPE	Agency	Template FPE provides to facilitate NOO development
Phase 2: ESCO Selection to PA			
<i><u>NOO/NOO Amendments</u></i>	FPE	ORNL	Project documentation
<i><u>*FEMP Best Practices and Lessons Learned for Federal Agency ESPC Projects</u></i>	FPE	Agency	To be provided to agency in preparation for proceeding with PA
<i><u>*FEMP ESPC Best Practices: Agency Plan/Variations</u></i>	FPE	ORNL	Documentation prepared by FPE of agency compliance or variance with FEMP best practices
<i><u>PA: Preliminary Assessment</u></i>	ESCO	GFO	Record copy
<i><u>NOITA: Notice of Intent to Award</u></i>	FPE	ORNL	Project documentation
Phase 3: IGA to Award			
<i><u>IGA: Investment Grade Audit</u></i>	ESCO	GFO	Record copy
<i><u>*ESPC Project Finance Review</u></i>	TR – ORNL	ORNL	Form for use in documenting review of project financing
<i><u>TO (Final Proposal & Amendments)</u></i>	Agency	GFO	Record copy
Phase 4: Project Implementation			
<i><u>Construction Submittals</u></i>	ESCO	Agency	Record copy
<i><u>Commissioning Plan</u></i>	ESCO	GFO	Record copy
<i><u>Commissioning Report</u></i>	ESCO	GFO	Record copy
<i><u>Post Installation (PI) M&V Report</u></i>	ESCO	GFO	Record copy
Phase 5: Post-Acceptance Performance			
<i><u>Annual M&V Report</u></i>	ESCO	GFO	Record copy

*Denotes a tool, template, or document provided in hard copy in the appendix of this guide.

Appendix

Resource Documents, Templates, and
Tools by Phase
(reference hard copies)

Phase 1: Acquisition Planning Document Deliverables

Agenda: Initial Agency Briefing

- FEMP Mission
- FEMP ESPC Support and Resources
- How ESPCs Work
- Benefits
- Key Features
- Federal Authorities and Goals
- DOE-FEMP IDIQ ESPCs
- The ESPC Process – A Quick Overview
- Other Financing Options – A Quick Review
- Training for ESPCs
- Renewable Energy Screening

FEMP Services List
Statement of Work - Optional Service Offerings for Contractor-Identified Project

Task #	Task Title	Work Scope	Deliverable	Agency Requirements
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Phase Two - Initial Project Development

Replace Std Task# 2-1	DO RFP Development - On Site Consultation	FEMP Services will provide technical consultation resources at the Agency's site to assist in the integration of the site's requirements into the DO RFP template.	Oral Comments	Agency staff will draft DO RFP. Provide copies to FEMP Services staff for review.
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Phase Three - Negotiations and Award

Replace Std Task# 3-4	Final Proposal Review - Direct Support	FEMP Services will provide direct technical resources to review final proposal. Review will include assessment of ESPC-unique data such as markups, performance period expenses, and financing interest rates. FEMP Services will assure that price schedules have been filled out correctly. ESCO specified equipment will be evaluated for its appropriateness and installation expense (labor and material). FEMP Services will coordinate and assemble agency and FEMP Services questions and issues for Agency CO to be presented to ESCO for discussions and negotiations.	Telecon Advice and Written comments and recommendations	Agency will provide FEMP Services staff copies of final proposal with emphasis on selected equipment compatibility with agency performance requirements. Agency shall ensure applicable acquisition team members review final proposal. Agency will generate site questions or issues prior to scheduled telecons with FEMP Services staff. Agency will review questions and issues for ESCO discussions. Agency CO will submit questions and issues to ESCO.
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Phase Four - Implementing the Delivery Order

Insert after Std Task# 4-1	Design & Construction Package Review - Consultation Support	FEMP Services will provide consultation and technical review advice to support Agency review of Design & Construction Packages, submittals, shop and working drawings, manufactures data, planned service interruptions, permit acquisition plan and installation schedules for compliance, feasibility, consistency and reasonableness.	Telecon advice and/or Written Comments/ Recommendations	Agency will review all contractor submittals and generate comments, questions and issues for FEMP Services consultation and advice. Provide copies of Agency comments, questions, issues, and applicable portions of submittals. Coordinate telecons with FEMP Services and Agency acquisition team. Submit Agency recommendations to ESCO for action.
Insert after Std Task# 4-1	Design & Construction Package Review - Direct Support	FEMP Services will provide direct on-site technical resources necessary to inspect and accept the installed ECMS. FEMP Services will assist Agency with development and monitoring of punch list items through completion/acceptance.	Telecon Advice and Design & Construction Package Review Report(s)	Agency will provide FEMP Services a set of Agency design/construction standards. Agency will review the Design & Construction Package Review Report(s) for concurrence. Agency provide copies of ESCO responses to Design & Construction Package review comments. Agency to submit notice to proceed to ESCO..

Insert before Std Task# 4-2	Project Construction Installation Commissioning - Consultation Support	FEMP Services shall provide telecon consultation support to assist Agency in QA verification for compliance w/installation plan(s), including monitor/inspect installation and start-up activities.	Written comments/ recommendations	Agency staff will verify that commissioning activities are conducted and are acceptable per contract requirements.
Insert before Std Task# 4-2	Project Construction Installation Commissioning - Consultation Support	FEMP Services shall provide telecon consultation support to assist Agency in QA verification for compliance w/installation plan(s), including monitor/inspect installation and start-up activities.	Written comments/ recommendations	Agency staff will verify that commissioning activities are conducted and are acceptable per contract requirements.
Insert before Std Task# 4-2	Project Construction Installation Commissioning - Direct Support	FEMP Services will provide direct technical resources necessary to perform QA verification for compliance with/ installation plans. FEMP Services services may include acting as the commissioning agent and providing commissioning services consistent with the DOE/GSA commissioning guide.	Project Commissioning Report	Agency staff will facilitate access to the site(s) for FEMP Services staff. Agency staff will review the Project Commissioning Report.
Insert before Std Task# 4-2	Compliance with Inspection and Acceptance Plan - Direct Support	FEMP Services will provide direct on-site technical resources necessary to inspect and accept the installed ECMs. FEMP Services will assist Agency with development and monitoring of punch list items through completion/acceptance.	Installation/Acceptance Report; Punch Lists	Agency will provide FEMP Services a set of Agency design/construction standards. Agency will provide inspection scheduling information and site access, and will act on recommendations to direct ESCO to correct any defects found and sign off on all acceptable work
Insert before Std Task# 4-3	Provide or Assist with Data Acquisition	FEMP Services will provide assistance M&V data collection consistent with the M&V plan. Activities may include metering and performance parameters in support of the M&V plan and /or review of M&V activities and services by others.	Data collection logs	Agency will collect data in support of the M&V plan and/or review the data collection activities of the ESCO. Agency will generate comments and/or questions for FEMP Services technical advice.
Insert before Std Task# 4-3	Provide or Assist with Data Reduction & Analysis	FEMP Services will provide assistance with M&V data analysis consistent with the M&V plan. Activities may include calculations, simulations and/or review of M&V activities and services by others.	Summary findings and recommendations report/M&V Performance report	Agency will compile and review data collected in support of the M&V plan and generate any comments and/or question for FEMP Services technical advice. Agency will review all reports generated for concurrence.
Insert after Std Task# 4-3	Assist in Negotiation of Baseline Adjustments	FEMP Services will assist with the development of strategies for making baseline adjustments. Provide technical advice to account for changes in operations, etc affecting baseline(s) over time and assist Agency with negotiations with vendor for baseline adjustment.	Telecon advice and/or Written Comments/ Recommendations	Agency will facilitate negotiations with ESCO during reconciliation of baseline. Agency will review any proposed changes to the baseline and generate comments and/or questions for FEMP Services technical advice.
Insert after Std Task# 4-3	Provide Project 1st year Performance Results presentation to Agency Management and Staff	FEMP Services will coordinate with Agency Acquisition Team & ESCO to provide "Project 1st Year Performance Results" presentation and discuss Agency/ESCO activities to maintain persistence of ESPC project performance beyond year 1.	On-site Presentation with ESCO & Designated Agency Acquisition Team Members. Provide agenda and Agency requested copies of Presentation	Agency will coordinate facility and date with FEMP Services, ESCO and agency staff and notify invited Agency Management and staff to attend presentation.

Travel

<p>Insert after Std Travel 3-3 Label "4-2"</p>	<p>Travel to Site for Std task 4-2</p>	<p>On Site Support for Project Acceptance Discussion of Findings and Recommendations</p>		<p>Agency coordinate agency staff for FEMP Services presentation of Project Acceptance Recommendations. Agency provides at least 2 weeks notice for best airfare.</p>
<p>Insert after Std Travel 3-3 Label "4-2"</p>	<p>Travel to site for Project Results Presentation</p>	<p>On Site Support for "Project 1st Year Performance Results" presentation with Agency and ESCO</p>		<p>Agency coordinate agency staff for "Project 1st Year Performance Results" presentation. Agency provides at least 2 weeks notice for best airfare.</p>

ESPC Project Resource Plan

Date Initiated: _____

Project Number: _____

Agency: _____

Project Name: _____

Federal Project Executive: _____

Project Facilitator: Date Requested: _____ Date Available: _____

Renewable Energy Assessment Request: Date Requested: _____ Date Received: _____

Energy Sales Agreement Support: Date Requested: _____

Agency Pricing Analysis Support Needed (Y/N): _____

Interest Rate Analysis: Date Requested: _____ Date Received: _____

Other SME Support Required (Describe - Specialized Technology, M&V, Escalation, ..): _____

The Federal Project Executive (FPE) develops a Project Resource Plan necessary to support each ESPC project. In this role, the FPE:

- 1) Works with the agency client to identify FEMP Services needed from the Notice of Opportunity through the 1st Year M&V Report,
- 2) Identifies the Technical Resources necessary to deliver the services requested,
- 3) Assembles the Technical Resources (see below) from the FEMP resource pool as needed, and
- 4) Coordinates deliverables from the Technical Resources to meet the project timeline.

FEMP Services Options*

Project Facilitation	Renewable Energy Assessment
Energy Sales Agreement Support	Detailed Pricing Analysis
Interest Rate Analysis	Other SME Support

*Note the Renewable Energy Assessment and Interest Rate Analysis are automatically included if DOE Project Facilitation is utilized.

Technical Resources to Support FEMP Services

Project Facilitation

Project Facilitator Acquisition/Contracting

DOE Golden Field Office/Randy Jones, COR, Randy.Jones@ee.doe.gov

Project/Program Metrics & Support , Project Development Reporting, Interest Rate Analysis

Bob Slattery, slatteryrs@ornl.gov

[Terry Sharp, sharptr@ornl.gov](mailto:Terry.Sharp@ornl.gov)

Renewable Energy Evaluations, Energy Sales Agreements

Doug Dahle, douglas.dahle@nrel.gov

Scott Huffman, scott.huffman@nrel.gov

Tom Harris, tom.harris@nrel.gov

Colten Heaps, colten.heaps@nrel.gov

Measurement & Verification, eProject Builder

Phil Coleman, pecoleman@lbl.gov

Draft Project Schedule (a working Excel version is available via FEMP web site)

ESPC Project Schedule:										ESPC Process Doc. P1-04
12 Steps from Acquisition to ESCO Selection										r. 03-25-15
<i>Instructions: Enter project number and name, and proposed start date in yellow areas to generate a project schedule.</i>										
S t e p	Project Number and Name:									
	Proposed start date:		2/1/15	Responsible Party						
	Activity	Timeline Days	Completion Target	Site	ESCO	FPE	PF	SME	GFO	
	Please read comment			X						
	Phase 1 - Acquisition Planning									
1	Site requests Project Facilitator (PF) thru Federal Project Executive (FPE)		0	2/1/15	X	X				
2	FPE initiates renewable screening with NREL		0	2/1/2015		X		X		
3	Golden Field Office (GFO) assigns PF identified by FPE; FPE assigns SMEs as needed.		7	2/8/2015		X		X	X	
4	FPE and PF works with site/facility to establish Acquisition Team (AT)		14	2/22/2015	X	X	X			
5	AT establishes ESCO Notice of Opportunity (NOO) & preliminary selection criteria; PF review draft NOO and advise on evaluation criteria		5	2/27/2015	X		X			
	Phase 2 - ESCO Selection (to PA)		0	2/27/2015						
6	CO issues NOO to all 16 ESCOs (and includes post-down select information that will be required)		1	2/28/2015	X					
7	ESCOs submit responses to NOO; PF/SME review NOO responses and provide comments to AT		19	3/19/2015		X	X	X		
8	AT ESCO first down-selection		19	4/7/2015	X					
9	ESCO down-selection notification & notice to proceed with finalists		1	4/8/2015	X					
10	ESCOs submit further info and/or respond to oral interviews (approach A); PF/SME supports review and recommends oral interview questions as needed		5	4/13/2015	X	X	X	X		
11	AT reviews further information and down selects to one ESCO for PA (approach A); PF/SME support review of further ESCO material requested by AT		10	4/23/2015	X		X	X		
12	ESCO down-selection notice/de-brief to unsuccessful offerers		1	4/24/2015	X					

ESPC Project Schedule:

ESPC Process Doc. P1-04

16 Steps from Preliminary Assessment to Task Order Award

r. 03-25-15

Instructions: Enter project number and name, and proposed start date in yellow areas to generate a project schedule.

Step	Project Number and Name:								
	Proposed start date:		4/24/15	Responsible Party					
	Activity	Timeline Days	Completion Target	Site	ESCO	FPE	PF	SME	GFO
	Please read comment				X				
	Phase 2 cont'd - PA (ESCO Selection to PA)		0	4/24/15					
1	Site issues Preliminary Assessment (PA) solicitation/notification to ESCO finalist (approach A)		1	4/25/2015	X				
2	ESCO notifies GFO of intent to proceed to PA		1	4/26/2015	X	X			
3	PA kickoff. Contractor(s) conducts site visits to identify ECMs in addition to those in solicitation		5	5/1/2015	X	X			
4	GFO receives questions from contractors		5	5/1/2015	X	X			X
5	Site receives PA. Site begins scoping NOITA.		5	5/6/2015	X	X			
6	AT convenes and reviews PA results (approach A).		10	5/16/2015	X				
7	CO issues NOITA		20	5/26/2015	X				
	Phase 3 - IGA to Award		0	5/26/2015					
8	IGA kickoff. IGA begins. TO-RFP scoped.		5	5/31/2015	X	X			
9	TO-RFP issued.		21	6/21/2015	X				
10	ESCO completes IGA and prepares Final Proposal. Final Proposal delivered.		144	11/12/2015	X	X			
11	AT/CO obtains executive or board approval for final proposal. FPE requests GFO review.		30	12/12/2015	X		X		
12	GFO Review of Final Proposal		14	12/26/2015					X
13	Final Proposal meeting with contractor		5	12/31/2015	X	X			
14	Formal negotiation period		20	1/20/2016	X	X			
15	Finalize task order (includes all reviews and approvals)		10	1/30/2016	X	X			
16	Sign Task Order. Final documents to GFO (and PF).		1	1/31/2016	X	X			

Notice of Opportunity Template

Notice of Opportunity (NOO) to Energy Service Companies (ESCOs) Holding a US Department of Energy Energy Savings Performance Contract (ESPC) Indefinite-Delivery, Indefinite-Quantity (IDIQ) Contract

TO: All DOE ESPC IDIQ Contract Holders DATE: XX

FROM: Contracting Officer
Agency
Contact Info

SUBJECT: Notice of Opportunity (NOO) for Energy Savings Performance Contract (ESPC) Task Order at [Agency/location] and Request for Contractor Expressions of Interest

1 NOTICE AND INVITATION

[Agency, site] is interested in pursuing a potential ESPC project at [facility name, address]. This notice of opportunity invites current holders of the Department of Energy (DOE) ESPC indefinite-delivery, indefinite-quantity (IDIQ) contract holders to submit a written response (an expression of interest) to be considered for contractor selection for this potential task order award.

2 FACILITY OVERVIEW

2.1 The mission of [agency/site] is  [insert brief description of mission]

2.2 Facility description  [Insert brief facility description]

2.2.1 Federal Building/Facility Types

[Agency] anticipates that the project will include the following building/facility types :

 Open Options: 2.2.1 Federal building/facility types

2.2.2 Site conditions

 The project will require the ESCO to work under the following conditions:  [write in]

2.3 Summary information on facility energy and water usage

The following data is to provide respondents with an approximate profile of facilities to be considered for an ESPC and may not be precise.

The total square footage of the facilities in the potential project scope is [xxx] sq ft. The average annual energy and water use for these facilities is shown in the table below. For source selection purposes, the potential project scope is the full facility. The locations and data provided in this NOO may not represent the final project that may be identified as a result of the Investment-Grade Audit prepared by the selected ESCO.

Average annual energy and water rates and usage for facilities in potential project scope

	Utility rates		Total average annual usage		Total annual cost (\$)
	\$	Units	#	Units	
Electricity		KWh		KWh	
Electricity demand		KW			
Natural gas		MMBtu		MMBtu	
Potable Water		Kgallons		Kgallons	
Non-potable Water		Kgallons		Kgallons	
Other					
Total annual cost					

3 STATEMENT OF OBJECTIVES

3.1 General statement of objectives

The project will accomplish significant reductions at [facility] in energy and water usage and where practicable increase the use of renewable energy by implementing energy and water conservation measures (ECMs) as listed in attachment J-3 of the DOE ESPC IDIQ contract. The ESCO should explore and recommend all ECMs that may be economically viable and will contribute to the overall project goals and objectives.

3.2 Agency project objectives/goals/priorities

Our highest-priority objectives for the potential project are:

 Write in  Project Objectives – pick lists 3.2.1-4, 3.4

4 ESCO SELECTION

4.1 ESCO selection process

[Agency] will select an ESCO for potential task order award in accordance with the Selection Based on Qualifications Method at section H.3.1.A of the DOE’s ESPC IDIQs.

[Agency] may use a two-step process for ESCO selection. In the first down-selection process (the first step), after evaluation of the ESCOs’ responses to this NOO, [Agency] may select two or more ESCOs deemed most qualified for further consideration for selection. The process and requirements for this first step are described in this notice.

In the second step of ESCO selection, after a first down-selection, [Agency] may request further information from the remaining ESCOs. [Agency] will provide ESCOs with evaluation requirements for the second down-selection at that time. Agencies may conduct discussions with selected ESCOs. Discussions may including interviews, written responses, presentations, ESCO resume interviews,

that address details related to previously submitted information. ESCOs may be required to participate in interviews at [Agency] as part of the second down-selection process.

The agency will select one ESCO to conduct a preliminary assessment (PA).

The Government reserves the right to adjust the selection process if agency deems it to be in the best interest of the Government.

5 REQUIRED SUBMITTALS

ESCOs shall submit the information listed below in their responses to this NOO.

5.1 ESCO experience, technical qualifications, and qualifications to perform an investment-grade audit (4 pages max, at least 10 pt font)

Experience – Submit information on your experience on up to 5 ESPC projects, or efforts similar to the potential project, that include any of the potential ECMs. Information shall include:

- Specific detailed descriptions of those projects
- The resulting energy and water savings from those projects
- An explanation of how those projects relate to the objectives (or general scope and content) of the envisioned project

Technical Qualifications to perform an ESPC – Describe your technical qualifications **as related to our facility characteristics and project objectives** to deliver a successful ESPC project . The description should cover your ability to:

- Design and construct energy and water conservation measures
- Sustain performance and savings throughout the entire contract term
- Plan and perform comprehensive measurement and verification
- Deliver a project at a fair and reasonable price

Qualifications to perform an IGA – Describe your qualifications to conduct an investment-grade audit as it relates to the objectives described in this NOO. The description should cover your ability to provide meaningful information to assess viable ECMs, establish baselines, and estimate energy and water savings.

5.2 ESCO General/Management Approach (4 pages max, at least 10 pt font)

Management Approach – Describe your approach for conducting an ESPC at [Agency site] that shows an understanding of our objectives and priorities for the project. Address how our opportunities and challenges (as described in this notice) could be managed. Describe the ESCO project team and resources that would be brought to the potential project, including entities you may team with. Submittals shall include your approach to:

- Managing the design, construction, and continued performance of energy and water conservation measures in an efficient and cost effective manner
- Managing cost, schedule and technical performance (including subcontractors if used) including the methods to monitor and report progress to customers
- Building quality into the project including process to identify problems and formulate solutions to mitigate difficulties
- Performance of operations, maintenance, repair and replacement of equipment to ensure continued equipment performance

- Subcontractor source selection including the significance of technical qualifications, price, and small business participation

Organization & Personnel – It is important that key ESCO staff be involved and available to the agency from ESCO selection through the entire process. Discuss how this continuity in the ESCO project team will be maintained throughout project development and construction. Submittals shall include your approach to:

- Management style and capacity for resources as demonstrated through the organization structure, key personnel, and subcontractor involvement
- Key personnel/positions integral to successful performance,
- Maintaining continuity of the ESCO team throughout ESCO selection, project development, and construction

Incorporating Small Businesses – Describe how small businesses were incorporated into the ESPC or similar energy and water conservation projects described above. Explain how small business will be incorporated into the potential project.

5.3 References for ESCO Past Performance

Provide contact information for previous customers who can provide information related to the projects described under 5.1 *ESCO Experience*. Provide the following information for each reference to be contacted by [Agency]:

- Energy Project Agency and Site
- ESPC Task Order/Contract Award Date
- Project Acceptance Date (or ESPC stage, if not yet accepted)
- Previous customer (reference) point of contact
- Name:
- Title/Position [CO, project manager, etc.]
- Phone:
- E-mail:

These references may be contacted to provide the information called for by a Past Performance Questionnaire (Attachment A), which [Agency] may transmit to references. References may be asked to complete a questionnaire by e-mail directly to [Name, Contract Specialist, at email address]. Past Performance Questionnaires sent to the Contracting Officer directly from the ESCO will not be accepted for evaluation. [Agency] reserves the right to obtain and evaluate experience and past performance information from other sources known to [Agency] that are not included in the ESCO's response to this NOO in assessing past performance.

OERS PERS

6 SIGNIFICANT EVALUATION FACTORS

The significant evaluation factors that the agency expects to consider in reviewing the responses are the following:

6.1 The ESCO's experience, technical qualifications, and qualifications to conduct an investment-grade audit

— The ESCO’s technical competencies and experience in relation to our facility characteristics and project objectives to (a) conduct an investment-grade audit that provides meaningful information to assess viable energy and water conservation measures (ECMs) and establish baselines and project savings; (b) design and construct ECMs similar to those stated in the “objectives” section of this NOO; and (c) provide sustained savings and performance as reported through annual measurement and verification reports.

— Whether the ESCO’s experience, technical qualifications, and qualifications to perform an IGA demonstrate the potential to satisfy the Government’s objectives for successful performance without the need for increased Government oversight.

6.2 The ESCO’s general/management approach for conducting an ESPC

— The ESCO’s management approach including project management capabilities and personnel qualifications as related to our facility characteristics and project objectives to: (a) manage the design, construction, and continued performance of ECMs in an efficient and cost effective manner; (b) management style and capacity for resources as demonstrated through the organization and key personnel; and (c) incorporate the use of small businesses to implement and sustain savings.

— Whether the ESCO’s management approach may cause disruption of schedules, degradation of performance, or likelihood of unsuccessful contract performance.

6.3 The ESCO’s past performance (feedback from previous customers)

To assess the degree of confidence the Government has in the ESCO’s ability to supply ESPC services that meet users’ needs based on a demonstrated record of performance.

Relative importance of evaluation factors:

- ESCO experience and technical qualifications, general/management approach, and past performance are of equal significance.

7 SUBMITTAL OF EXPRESSIONS OF INTEREST

ESCOs are required to submit their expressions of interest via e-mail to [CS/CO name & title, email address] prior to [date & time]. If you are not interested in participating, please provide a negative response.

No data or literature of any kind, other than those specified, will be accepted, nor will discussions take place at this time.

ESCOs may submit general questions or questions about the selection process in writing prior to [date]. All questions posed by ESCOs along with Government responses to those questions will be distributed to all contractors.

Submit questions via email to [CO, name, email; and/or CS, name, email].

Each ESCO must designate one point of contact for all communications between the ESCO and [Agency]. Please provide name, title, phone number, and email address for this individual. No other communications regarding this notice or requirement are allowed.

Should you have any questions, please contact me at [email address].

Sincerely,

Name

Contracting Officer/Specialist

[Further title, etc.]

cc: FEMP Federal Financing Specialist, FEMP Project Facilitator, and DOE Golden Office

APPENDIX A: EXAMPLE PAST PERFORMANCE QUESTIONNAIRE

ESPC PAST PERFORMANCE QUESTIONNAIRE

Contractor (ESCO):

Contract # :

ESPC Task Order #:

Initial Contract Cost (excluding services and interest during term):

Energy Project Agency and Site:

Type of Facility (e.g., office bldg., hospital, prison):

ESPC Task Order/Contract Award Date:

Project Acceptance Date (or ESPC stage, if not yet accepted):

Agency Point of Contact (P.O.C.):

P.O.C. Contact Info (phone and e-mail):

Date of Form:

Question 1: What were the energy and water conservation measures employed in the project (e.g., indoor lighting, control system upgrades, new boilers, high efficiency plumbing fixtures, advanced irrigation controls)?

Question 2: Was the contractor timely and cooperative in its development and delivery of the project?

- EXCEPTIONAL: No performance problems; no government oversight needed.
- VERY GOOD: Displayed considerable initiative; little government oversight needed.
- SATISFACTORY: Displayed some initiative; some government oversight needed.
- MARGINAL: Displayed little initiative; substantial government oversight needed.
- UNSATISFACTORY: Displayed no initiative; failed to meet specified minimum performance.

Additional comments:

Question 3: Was there continuity in the contractor's personnel during execution of the project (e.g., one person or team that stayed with the project throughout)?

- EXCEPTIONAL: No performance problems; no government oversight needed.
- VERY GOOD: Displayed considerable initiative; little government oversight needed.
- SATISFACTORY: Displayed some initiative; some government oversight needed.
- MARGINAL: Displayed little initiative; substantial government oversight needed.
- UNSATISFACTORY: Displayed no initiative; failed to meet specified minimum performance.

Additional comments:

Question 4: Did the contractor meet the contract's small business subcontracting goals?

- EXCEPTIONAL: No performance problems; no government oversight needed.
- VERY GOOD: Displayed considerable initiative; little government oversight needed.
- SATISFACTORY: Displayed some initiative; some government oversight needed.
- MARGINAL: Displayed little initiative; substantial government oversight needed.
- UNSATISFACTORY: Displayed no initiative; failed to meet specified minimum performance.

Additional comments:

Question 5: Were there subcontractor management issues, and if so, was the process and ultimate resolution of the problem(s) satisfactory?

Question 6: Did quality concerns arise, and if so, how were they resolved?

Question 7: Has the contractor performed according to expectations?

- EXCEPTIONAL: No performance problems; no government oversight needed.
- VERY GOOD: Displayed considerable initiative; little government oversight needed.
- SATISFACTORY: Displayed some initiative; some government oversight needed.
- MARGINAL: Displayed little initiative; substantial government oversight needed.
- UNSATISFACTORY: Displayed no initiative; failed to meet specified minimum performance.

Additional comments:

Question 8: Would this contractor be a good candidate for future government jobs?

- EXCEPTIONAL: No performance problems; no government oversight needed.
- VERY GOOD: Displayed considerable initiative; little government oversight needed.
- SATISFACTORY: Displayed some initiative; some government oversight needed.
- MARGINAL: Displayed little initiative; substantial government oversight needed.
- UNSATISFACTORY: Displayed no initiative; failed to meet specified minimum performance.

Additional comments:

Question 9: Are there any other comments you'd like to relay about this contractor?

Phase 2: ESCO Selection to PA Document Deliverables

FEMP Services Agreement

Purpose: FPE works with agency client to identify FEMP services requested for acquisition through first-year M&V report. Agency client indicates choices to FEMP via this form and FPE.

(Ref: FEMP Assistance During ESPC Development Process Chart, Rev. 140917)

Agency/Project ID: _____

FPE: _____ **Date:** _____

Acquisition, Phases 1 – 2

- | | |
|--|---|
| 1) Provide draft project schedule through selection | <input style="width: 100%; height: 20px;" type="text"/> |
| 2) Assist with Development of Notice Of Opportunity (NOO) | <input style="width: 100%; height: 20px;" type="text"/> |
| a. Review site data for inclusion in NOO | |
| b. Use of NOO draft template tool | |
| c. Provide recommended Evaluation Criteria for NOO responses | |
| 3) Assist with Review of NOO Responses | <input style="width: 100%; height: 20px;" type="text"/> |
| a. Review of NOO responses & written comments | |
| 4) Oral Interviews of down-selected ESCOs | <input style="width: 100%; height: 20px;" type="text"/> |
| a. Provide recommended interview questions | |
| b. Support review committee as non-voting member | |
| 5) Support PA Kickoff Meeting for Selected ESCO | <input style="width: 100%; height: 20px;" type="text"/> |
| a. Develop a draft agenda for agency review | |
| b. Facilitate meeting | |
| i. Key outcomes | |
| 1. Schedule for PA submittal | |
| 2. Communications protocols | |
| 3. Site access logistics/ ESCO personnel on site | |
| c. Review/edit ESCO-prepared PA Kickoff Meeting minutes | |
| 6) Support teleconferences between agency & ESCO during PA development | <input style="width: 100%; height: 20px;" type="text"/> |
| a. Provide recommended agenda for discussions | |

- 7) Review of PA submittal
 - a. Review PA and provide written comments
 - i. Review ECMs/pricing estimates, M&V plan, project financials
 - ii. Engage technical experts as required for PA review
 - b. Support on-site ESCO PA presentation workshop with draft agenda
- 8) Notice of Intent to Award (NOITA)
 - a. Provide template and support development
- 9) Development of draft Task Order request for proposal (TO-RFP)
 - a. Share TO-RFP template
 - b. Technical support for drafting TO-RFP for agency review

Development, Phase 3

- 1) Support Investment Grade Audit (IGA) Kickoff Meeting
 - a. Prepare draft agenda for review and share with ESCO
 - i. Includes Best Practices documentation
 - b. Assemble draft project schedule to award
 - c. Facilitate Kickoff meeting
 - i. Key Outcomes
 - 1. Schedule for IGA/proposal submittal
 - 2. Communications protocol (POCs)
 - 3. Logistics/ site access and ESCO personnel
 - 4. Schedule and support regular telecons during IGA development
 - d. Provide review and comments on ESCO-provided meeting minutes
- 2) Support IGA Development Midpoint Review (as needed)
 - a. Support discussion on preliminary material
 - b. Provide technology/ESPC process experts based on project scope
 - i. Review ECMs such as CHP, renewables, other high-tech
 - ii. Review Risk/Responsibility/Performance Matrix
 - iii. Review proposed cost and pricing of ECMs
- 3) Support IGA Presentation Workshop
 - a. Assemble draft agenda for review and share with ESCO
 - b. On-site presentation provided by ESCO
 - c. Facilitate IGA Kickoff meeting
 - d. Review and edit ESCO-provided meeting minutes

- 4) Review of IGA and Draft Proposal
 - a. Thorough review of entire document focused on:
 - i. ECM technical feasibility and pricing (Scope of Work)
 - ii. Measurement & Verification (M&V) plan
 - iii. Risk, Responsibility, and Performance Matrix
 - iv. Management Approach (key personnel & roles)
 - v. Commissioning Approach
 - vi. Construction schedule and agency resources
 - vii. Pricing Schedules
 - b. Engage technical expertise (technology/pricing experts)
 - c. Provide written review comments for agency submittal to ESCO
 - d. Review ESCO responses to IGA proposal comments
 - i. Provide review notes and acceptance recommendations on ESCO responses

- 5) Project Negotiation
 - a. Technical expertise assistance as needed

- 6) Task Order Award
 - a. Final Proposal with financing rate fixed and final TO schedules

Implementation, Phases 4 – 5

- 1) Post-Award Conference (Led by Agency CO)
 - a. Optional to provide technical consultant participation as needed
- 2) Review of submittals during construction
 - a. Review and comments on commissioning plan (post-design)
- 3) Acceptance – Post-Installation Submittals
 - a. Review and written comments on:
 - i. Commissioning (Cx) Report (compliance Cx Plan)
 - ii. Post-Installation M&V report
 - 1. Confirms ECM performance and annual cost savings meet guarantees.
- 4) First Year annual M&V Report
 - a. Review and written comments for agency project COR
 - b. Support agency COR with review for approval to pay invoice

PA Kickoff Meeting Agenda

Introductions/Roles

- Welcome by site person (Agency)
- Introductions and roles of each person in the project (PF)
- Objectives of the meeting (PF)

Setting the Stage

- Discussion by Agency/Site of interest, goals, objectives and priorities (Agency)
- Levels of management support (Agency)
- Discussion on scope, buildings, areas and ECMs to be considered (Agency)
- Discussion by ESCO of their interest, anticipated hurdles in the project (ESCO)
- Process Development and Templates (promote comprehensive project, but simplified NOO if not yet addressed in pre-PA discussions)
 - Brief overview of the Task Order project development process (PF)
 - Promote 12-month development schedule (PF)
 - Promote 20 page PA (PF)

Setting Expectations

- Site Data
 - Building environmental/performance requirements (Agency)
 - Long term plans at the site-additional capacity, utilization (Agency)
 - Discussion of ECMs, long-term plans at the site, and exceptions (Agency)
 - Contract term, total investment parameters (Agency)
 - O&M services, R&R responsibilities and O&M savings (Agency)
 - Codes, regulations, hazards, other considerations/issues (Agency)
 - Categorical Exclusions – environmental documentation (Agency)
 - Design Intent – Commissioning requirements (Agency)
- Questions/answers on TO RFP document or attachments (PF)
- Renewable Energy/Technology Deployment Matrix (PF)
- Assure Energy Star/FEMP EE Project requirements met (PF)
- Address Life of Contract planning prior to task order award (PF)

Preliminary Audit Process

- Contractor discussion of their plans for PA phase (ESCO)
 - Logistics and access; testing/metering to be accomplished
 - Security – restricted areas, escorts, etc.
 - Safety requirements – training, hazards
- Process discussion – reviews (copies), document transmittals, etc. (ESCO)
- PA requirements; what does it look like (components/revised proposal) what needs to be approved (ECM package, savings estimates, baseline, M&V plan, etc.) (ESCO)
- Government discussion/expectations of what they think needs further investigation (Agency / ESCO)

Communications Protocols

- Establish leads and discuss responsibilities (Agency/ESCO)
- Establish frequency and method of communications – emails, conference calls (Agency/ESCO)

- Protocols for bringing new people in/exiting others – responsibility for passing on information and informing the team

FEMP
Best Practices and Lessons Learned
for Federal Agency ESPC Projects

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9/22/14

1. INTRODUCTION

Energy Savings Performance Contracts (ESPCs), first authorized by EPACT 1992¹, have become an effective tool for financing energy projects in federally owned facilities. FEMP has been providing project and training to agencies going back to 1996. As agencies have implemented projects, their acquisition teams and FEMP have taken note of lessons learned and best practices, which over time have been incorporated into the DOE ESPCs, FEMP ESPC training, and FEMP project assistance.

This document highlights current best practices that agencies may want to consider in their contracting process. These best practices are not all-encompassing, nor can they replace other FEMP services that include discussion of best practices, such as services from FEMP Federal Financing Specialists (FFSs) and Project Facilitators (PFs).

Agencies should use this document and all of FEMP's ESPC resources to help them award high-quality and high-value ESPC task orders (TOs). FEMP ESPC guidance, contract document templates and examples, and other informational resources are available at http://www1.eere.energy.gov/femp/financing/espcs_resources.html.

FEMP best practices also aim to minimize delays in the process, which erode the value of a project by postponing accrual of cost savings, or if interest rates increase. Delays commonly occur at decision points if the agency team or an individual is uncertain that a move forward is supported by agency due diligence and will result in a good deal for the government.

Many of these best practices address these challenges by pointing out:

- How teamwork within the agency and with the ESCO is vital to project success,
- How to conduct a cost-effective, compliant, ESCO selection,
- Critical outcomes of review which support award, and
- Key checks and steps in final negotiations and TO award.

2. GENERAL BEST PRACTICES

2.1 Teamwork is critical to ESPC success.

2.1.1 Designate a project champion who will, along with the agency Contracting Officer (CO), lead the agency team's efforts. The project champion should ensure that team members are trained and stakeholders and decision makers are educated about the project. A committed project champion is a key factor in the success of the project, paving the path forward and building agency support for the project.

2.1.2 Enlist the support of site/agency management. Keep management fully briefed, and make sure their questions and concerns are addressed throughout project development.

¹ Legislated ESPC Authority

The National Energy Conservation Policy Act of 1978 (NECPA), Pub. L. No. 95-619, as amended by the Consolidated Omnibus Budget Reconciliation Act of 1985, Pub. L. No. 99-272, § 7201 (1986), authorized agencies to enter into "shared energy savings contracts." The term "energy savings performance contract" first appeared in amendments to NECPA by the Energy Policy Act of 1992, Pub. L. No. 102-486 (1992). The Energy Policy Act (EPACT) of 1992 also added requirements to the authority. The U.S. Department of Energy promulgated regulations for their use in 1996 (10 CFR 436 Subpart B). The Energy Independence and Security Act of 2007 expanded the authority and made it permanent.

- 2.2 FEMP provides vital support. Use FEMP ESPC experts and training to your best advantage.
 - 2.2.1 Start with a FEMP Federal Financing Specialist (FFS). The FFS will guide the agency’s first steps in the project, help with educating agency stakeholders, and coordinate ESPC training and other FEMP services for the agency team.
 - 2.2.2 Consult your FEMP experts before issues become problems – the FFS and your FEMP-qualified Project Facilitator (required for projects under the DOE master ESPCs). The Contracting Officer (CO) and Contracting Officer’s Representative (COR) for the DOE IDIQ ESPCs, who are based at the DOE Golden Field Office, also provide support (send questions to femp@go.doe.gov). Experts based at the national labs are made available through the FFS to support projects and especially implementation of advanced technologies.
 - 2.2.3 Training. The agency ESPC team must be knowledgeable about the DOE IDIQ contracts and the ESPC process in order to expedite development of a high-value project. To obtain ESPC training, use FEMP’s free live ESPC workshops and on-demand webinars. The FFS helps agencies arrange on-site ESPC training for agency acquisition teams, or to promptly arrange training for new project team members.
- 2.3 To prevent delays, maintain continuity and documentation.
 - 2.3.1 Prepare for personnel turnover by documenting the project process and agency decisions.
 - 2.3.2 Understand that documentation can be critical to clarifying the intent of the contract after time passes.
 - 2.3.3 Documentation of project development and communication between the agency and the ESCO should be included in contract files. Include all pre-award communications such as PA and IGA development notes, proposal questions, responses, and resolutions, and other direction and agreements gathered by the CO and COR.
- 2.4 Keep the ESCO and Agency on the same page to avoid delays, unintended outcomes, and backtracking.
 - 2.4.1 Provide the ESCO with a checklist and roadmap that describes the agency approval process. Have the ESCO, with agency input, create a milestone chart that displays the proposed contract timeline and due dates. Using a contract timeline with a proposed date for task order award enables the ESCO to plan for allocating ample resources to meet the target date. A schedule also keeps the agency team focused on meeting the goal.
 - 2.4.2 Schedule at least bi-weekly phone or in-person ESCO–agency meetings to provide status updates throughout the entire ESPC process. The goal is to establish a running dialogue between all stakeholders, regularly facilitate complete and open exchange of information, and avoid delays and unintended outcomes.

3. ACQUISITION PLANNING

- 3.1 Define the roles and responsibilities of every ESPC acquisition team member and identify gaps that need to be filled. The rule of thumb is to include on the team all parties who could affect or be affected by the project, at least for periodic consultation. At a minimum, the team should

include an agency CO with sufficient warrant, the COR, officials whose approval is required, a budget officer, and legal counsel.

- 3.2 To avoid miscommunication and maintain consistency, designate an individual (typically the CO and/or COR) to serve as the conduit of information between the ESCO and agency.

4. ESCO SELECTION

Best practices for ESCO selection are the following.

4.1 FEMP recommends that agencies use the Selection by Qualifications (SBQ) method (as described in the DOE IDIQ at section H.3.1) and standardize their SBQ process. FEMP ESPC experts and agencies with ESPC experience have observed that the SBQ method can elicit as much useful information for finding the best ESCO for a specific project as other more complex, costly, labor-intensive, and time-consuming methods. Agencies have observed that when using SBQ:

- Development of the Notice of Opportunity (NOO) is quicker.
- Project scope developed by the ESCO is comprehensive.
- Selection of the ESCO is efficient and the project development cycle is shorter.
- Unnecessary staff burden is avoided.
- High-value projects tend to be the outcome.
- Potential out-of-scope issues are avoided in fair-opportunity ESCO selection.

4.2 Use the FEMP NOO template and customize as applicable.

4.3 Keep the NOO as broad as possible to allow the ESCO to propose comprehensive and innovative solutions. FEMP discourages the use of 3rd party audits in NOOs.

4.4 Identify two or three site-specific needs or wish-list items (e.g., renewable energy conservation measures). This allows agencies to match ESCO capabilities with site needs.

4.5 Don't hesitate to conduct in-person interviews with down-selected ESCOs in the process. Face-to-face meetings can provide perspectives that may be missed otherwise.

4.6 Keep evaluation factors and selection criteria to the minimum necessary. Evaluation factors should be weighted to reflect the agency's priorities rather than all factors being weighted equally.

4.7 Require the ESCOs' responses to the NOO to include description of the following:

- a) ESCO's management approach (how they're going to get the job done)
- b) Methods and procedures used to obtain competitive prices on energy conservation measures (ECMs) and best value for the government
- c) A schedule for Preliminary Assessment (PA) development
- d) The personnel responsible for the PA and their qualifications
- e) The ESCO's approach to developing energy baselines and the measurement & verification (M&V) approach for this project

5. PRELIMINARY ASSESSMENT (PA)

5.1 To get a useful PA from the ESCO, the agency should provide the ESCO with all relevant current information about the facilities, including energy consumption and previous audits.

- 5.2 The PA should be only as long as necessary to convey the viability of a project. An example/template of a PA can be found at:
http://www1.eere.energy.gov/femp/docs/10_patemplate.docx.
- 5.3 Set deadlines for PA submission and for agency completion of PA review and response to the ESCO.
- 5.4 Ensure that the Risk, Responsibility, and Performance Matrix (RRPM) and the proposed M&V approach are carefully reviewed and points for discussion are noted. Otherwise, the assumptions used in the PA will generally carry through to the Investment-Grade Audit (IGA).

6. TASK ORDER REQUEST FOR PROPOSAL (TO-RFP)

The TO incorporates the TO-RFP, the ESCO's IGA/proposal, and the IDIQ (the DOE indefinite-delivery, indefinite-quantity contract) — so the agency needs to know what all of them say. The purpose of the TO-RFP is to incorporate site-specific requirements into the TO by modifying, adding to, or deleting IDIQ contract terms, as long as these changes are within the overall scope of the IDIQ.

- 6.1 Use the FEMP TO-RFP Template, which lists all the DOE IDIQ clauses that *must* be tailored to the customer agency/site, as well as the sections that *are often altered* to meet the agency's needs.
- 6.2 Those developing the TO RFP must consult with their site support experts/organizations in order to accurately identify and address the site's requirements in the TO RFP.
- 6.3 Include in the TO-RFP project-specific requirements such as the following:
 - a) Special financing provisions
 - b) The level of detail required in pricing information, including subcontractor bids
 - c) How operations and maintenance (O&M) and equipment repair and replacement (R&R) are to be handled
 - d) Environmental, safety, and health requirements
 - e) Compatibility requirements for design drawings, among other requirements
- 6.4 Note on continuity: The experts who consult on TO-RFP development could be the same as those who will review parts of the proposal and final TO-RFP before award. Continuity will facilitate efficient and effective review.

7. INVESTMENT-GRADE AUDIT (IGA)

The IGA is the ESCO's detailed survey and analysis which will establish the estimated savings and savings guarantees. The IGA comprises the technical portion of the proposal, detailing ECMs, the M&V plan, and technical specifications.

- 7.1 Initiate the IGA with a kick-off meeting, which should be the first of continuing bi-weekly agency–ESCO meetings. Bi-weekly meetings can effectively keep the project on track by providing a routine venue for addressing both the agency's and ESCO's questions during the ESCO's performance of the IGA and the agency's review. These meetings can also accommodate 30/60/90-day reviews.
- 7.2 ESCO should be asked to identify all site resources required and costs to the site (for escorts in secure areas, for example) that will be incurred through ESCO performance of the IGA.
- 7.3 Agencies should be open to adjusting the contract term or project scope as required to ensure that the project best meets the agency's needs.

- 7.4 Be prepared to facilitate site access and make needed site experts available for multiple visits by the ESCO.

8. REVIEW OF THE IGA/PROPOSAL – STRATEGY FOR SUCCESS

Agency review of the IGA/proposal has been noted as a potential bottleneck in the ESPC process. To expedite thorough and timely agency review:

- 8.1 Hold an in-person conference with the ESCO promptly after completion of the IGA to review findings and discuss potential challenges.
- 8.2 Establish a hard deadline for agency review of the IGA and response to the ESCO.
- 8.3 Develop a review plan and *set aside focused review time*. Assign overall review of the IGA/proposal and specific sections, respectively, to designated individuals.
- 8.4 Some experienced COs have found that the best strategy is to put all the reviewers in a room and get them to agree to stay there until the review is completed.
- 8.5 Use your PF and FEMP ESPC resources. Engage technical expertise needed if not available in-house, such as for renewables or M&V.
- 8.6 Deliver on schedule.
- 8.7 After completing review, hold an in-person or telephone meeting with the ESCO to review agency comments to eliminate any ambiguity as to their intent.
- 8.8 Document all agency comments, and require the ESCO to track changes in successive revisions of the IGA/proposal. Include documentation of those comments, responses, and resolutions as an attachment to the task order. Follow up to ensure that required revisions to the proposal are made.

9. CRITICAL OUTCOMES OF REVIEW – DON'T PROCEED TO AWARD WITHOUT THEM.

The agency will need to verify all of these items (below in section 9) before proceeding to award:

- 9.1 Proposed energy consumption baselines and fixed parameters for calculating savings are sound.
- 9.2 Guaranteed savings from ECMs are reasonable, given analysis of assumptions and savings received on similar projects.
- 9.3 The Risk, Responsibility, and Performance Matrix (RRPM) is consistent with project scope of work and pricing in the IGA/proposal.
- 9.4 All stakeholders understand the RRPM and the details of any assignment to the agency of post-acceptance performance-period responsibilities, and those responsible are prepared to commit the resources to necessary to carry these responsibilities out.

The Price Proposal — *Verify Before Award:*

- 9.5 The agency has a complete understanding of the pricing proposal based on review of pricing and financing details — especially the TO financial schedules and the Standard Financing Offer received from the successful financier.
- 9.6 Agency obtained all pricing data needed to determine a fair and reasonable price to the government.
- 9.7 [ECM pricing is](#) reasonable when compared to previous awards and current pricing for similar equipment. Use FEMP Price Benchmarking data and consult FEMP's guidance on determining

price reasonableness for help with this task. See resources at

http://www1.eere.energy.gov/femp/pdfs/5_5_pricereasonableness.pdf.

- 9.8 ESCO analysis of subcontractor pricing has been reviewed, including promotion of competition (low price or best value), and small business requirements.

Financing — *Verify Before Award:*

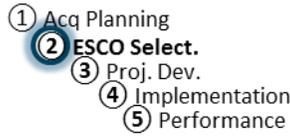
- 9.10 Agency has received guidance from the PF and/or other FEMP experts on reviewing financing.
- 9.11 Verified that ESCO received multiple bids for financing, and the project interest rate is consistent with other recent awards in accordance with FEMP guidance.
- 9.12 Checked the calculation of construction-period interest.
- 9.13 Checked for any differences between financier's offer to ESCO and ESCO's offer to government.

10. FINAL NEGOTIATIONS AND TO AWARD

- 10.1 Know in advance your clear path to award. Know what management, legal, and other reviews are required prior to award. If agency-level review is required, be prepared in advance.
- 10.2 The financiers need adequate time to give you their best rate. Update the project schedule to detail the final steps required before TO award. Ensure that the ESCO has allowed adequate time in the schedule to obtain multiple financing offers (about 2 weeks).
- 10.3 Be prepared for negotiations, having a full understanding of the proposal/IGA, including TO-RFP and IDIQ.

11. MEASUREMENT & VERIFICATION

- 11.1 Agencies should designate a primary contact who is responsible for (1) maintaining contact with FEMP through the Life of Contract program, and (2) maintaining continuity of documentation and awareness of the ESPC throughout the performance period.
- 11.2 Agencies should designate a government witness to accompany the ESCO during annual measurement and verification activities. Ensure that the government witness has reviewed current FEMP guidance on M&V witnessing. COR delegation letters should include designation of the COR as M&V witness.
- 11.3 Agencies should put procedures in place to ensure prompt review of the ESCO's annual M&V report, in accordance with FEMP guidance. The annual M&V report must be in accordance with the M&V plan in the TO. These reports document whether all parties and the delivered energy and cost savings meet the TO requirements.
- 11.4 In the case of demolished or decommissioned buildings or removal of ECM equipment by the government, the agency CO should promptly initiate a contracting action to buy out that portion of the contract involving ECMs that are no longer in place or no longer functional.



ESPC Best Practices:
 Agency Plan/Variations
 ESPC Process Doc. P2-05
 r. 08-31-15

FEMP ESPC Best Practices: Agency Plan/Variations

FEMP compiled the “Best Practices and Lessons Learned for Federal Agency ESPC Projects” for the five phases of an ESPC project from FEMP and agency experiences. FEMP offers these to all agencies utilizing any ESPC contract, teaches them at their ESPC training workshops, and has published them on their resources webpage at the following URL:

<http://energy.gov/eere/femp/resources-implementing-federal-energy-savings-performance-contracts>

The form below is an abbreviation of these important best practices such that agency or individual project variations can be noted and used to improve best practices going forward. The intent is that the agency fills out this form at the beginning of each project and submits it to the FEMP Program. In cases, a single form can be submitted as a blanket master response when an agency has a standardized process mandated agency-wide for all their ESPC projects (e.g., most Navy projects). It is FEMP’s request that agencies incorporate completion of this form into their internal ESPC process.

Project Name _____

Project Number _____

Agency _____

Federal Project Executive _____

Date Checklist Completed _____

General Best Practices – Teamwork

- 2.1.1 *Designate a project champion.*
- No variance
 - Variance [Description] _____

- 2.1.2 *Enlist the support of site/agency management; keep management fully briefed.*
- No variance

Variance [Description] _____

2.2 *Use FEMP ESPC experts and training.*

- a. Get started with an FFS.
- b. Consult FEMP experts before issues become problems – FFS, PF, and DOE ESPC CO/COR.
- c. Provide agency acquisition team with ESPC training.

No variance

Variance [Description] _____

2.3 *Maintain continuity and documentation to prevent delays. Document process, agency decisions, and communications with ESCO.*

No variance

Variance [Description] _____

2.4 *Keep the ESCO and agency on the same page.*

- a. Provide ESCO with a checklist and roadmap describing the agency approval process.
- b. Require ESCO to create a milestone chart of proposed contract timeline and due dates.
- c. Schedule regular ESCO–agency meetings for throughout the ESPC process.

No variance

Variance [Description] _____

3. Acquisition Planning

3.1 *Define the roles and responsibilities of ESPC acquisition team members.*

No variance

Variance [Description] _____

3.2 *Agency CO: Designate an individual (typically CO/COR) to communicate with the ESCO for the agency.*

No variance

Variance [Description] _____

4. ESCO Selection

4.1 *Use the Selection by Qualifications (SBQ) method (DOE IDIQ at section H.3.1).*

No variance

Variance [Description] _____

4.2 *Use the FEMP NOO template (BPs 4.2, 4.3, 4.4, 4.6).*

- a. Define requirements broadly to allow ESCO latitude propose creative and comprehensive solutions.
- b. Identify 2 – 3 site-specific requirements to get info to match ESCO quals with site needs.
- c. Keep evaluation factors and selection criteria to the minimum necessary.

d. Weight evaluation factors to reflect agency's priorities.

No variance

Variance [Description] _____

4.5 *Conduct in-person interviews with down-selected ESCOs.*

No variance

Variance [Description] _____

5. Preliminary Assessment (PA)

5.1 *Provide the ESCO with all relevant facility information and previous audits.*

No variance

Variance [Description] _____

5.2 *Make the PA only as long as necessary to convey the viability of a project (<20 pp).*

No variance

Variance [Description] _____

5.3 *Set deadlines for (1) PA submission and (2) agency completion of PA review and response to ESCO.*

No variance

Variance [Description] _____

5.4 *Stress review of RRPM and M&V approach in PA and note points for discussion. Document comments.*

No variance

Variance [Description] _____

6. Task Order Request for Proposal (TO-RFP)

Consult with site experts to accurately identify and address the site requirements to be specified in the TO RFP.

No variance

Variance [Description] _____

7. Investment-Grade Audit (IGA)

7.1 *Initiate the IGA with a kick-off meeting.*

No variance

Variance [Description] _____

7.1a *Hold continuing bi-weekly agency-ESCO meetings.*

- No variance
- Variance [Description] _____

7.2 *Require ESCO to identify all site resource requirements and site costs to be incurred through ESCO performance of IGA.*

- No variance
- Variance [Description] _____

7.3 *Allow contract term or project scope to be adjusted to meet project objectives.*

- No variance
- Variance [Description] _____

7.4 *Facilitate ESCO access to site and site experts for multiple visits by the ESCO.*

- No variance
- Variance [Description] _____

8. Review of the IGA/Proposal – Strategy for Success

8.1 *Hold conference with the ESCO after completion of the IGA to review findings and challenges.*

- No variance
- Variance [Description] _____

8.2-8.8 *Manage a thorough and timely agency review of IGA/proposal.*

- a. Develop a review plan and *set aside focused review time.*
- b. Establish a hard deadline for agency review and response to the ESCO, and deliver on schedule.
- c. Make clear assignments to team members to review specific sections of IGA/proposal.
- d. Use FEMP ESPC resources to engage technical expertise if not available in-house.
- e. Document agency comments; require ESCO to track changes in revisions of IGA/proposal; follow up to verify that required revisions are made. Attach documentation of comments, responses, and resolutions to task order.
- f. After completing review, meet with ESCO to jointly discuss review and eliminate any ambiguity about intent of agency’s comments.

- No variance
- Variance [Description] _____

9. Critical Outcomes of Review – Don’t Proceed to Award Without Them.

9.1–9.4 *Guarantees and Responsibilities – Verify Before Award*

- a. Proposed energy consumption baselines and fixed parameters for calculating savings are sound.
- b. Guaranteed savings from ECMs are reasonable.
- c. RRPM is consistent with project scope of work and pricing in IGA/proposal.

d. Stakeholders understand the RRPM and agency post-acceptance performance-period responsibilities.

No variance

Variance [Description] _____

9.5–9.8 The Price Proposal - Verify Before Award

a. Responsible agency personnel understand the pricing proposal.

b. Agency obtained and reviewed pricing data needed to determine a fair and reasonable price, and ECM pricing is reasonable.

c. Agency reviewed ESCO subcontractor competition, pricing, and consideration of small business requirements.

No variance

Variance [Description] _____

9.10–9.13 Financing - Verify Before Award

a. Agency has received guidance from PF/other FEMP experts on reviewing financing.

b. ESCO received multiple bids for financing, and project interest rate is consistent with recent TOs.

c. Calculation of construction-period interest is correct.

d. Any difference between financier's offer to ESCO and ESCO's offer to government was explained.

No variance

Variance [Description] _____

10. FINAL NEGOTIATIONS AND TO AWARD

10.1 *Know in advance your clear path to award. Know what management, legal, and other reviews are required prior to award. If agency-level review is required, be prepared in advance.*

10.2 *Update the project schedule to detail the final steps required before TO award. Allow the ESCO adequate time in the schedule to obtain multiple financing offers (about 2 weeks).*

10.3 *Be prepared for negotiations, having a full understanding of the proposal/IGA, including TO-RFP and IDIQ.*

No variance

Variance [Description] _____

11. Measurement & Verification

11.1 *Contract Administration: Designate a primary contact to (1) communicate with FEMP's LOC program, and (2) maintain continuity of ESPC administration throughout the performance period.*

- 11.2 *COR delegation letter should include designation of the COR as M&V witness.*
- 11.3 *M&V Review: Establish procedures for prompt review of ESCO's annual M&V report.*
- 11.4 *Contract Modifications: If the government puts an ECM out of service (e.g., building is decommissioned), promptly initiate a contracting action to buy out that portion of the contract.*
- No variance
- Variance [Description] _____



**INTERAGENCY AGREEMENT
FOR DEPARTMENT OF ENERGY (DOE)
PROJECT FACILITATOR SUPPORT FORM**

FY Award FY of award

Project Facilitator Number: _____ **Task Order Number:** _____
[Golden Field Office will complete these two fields]

Requesting Agency Agreement Number: *[Requesting Agency inserts their number]*

Part I. General Information

1) Name and Address of Requesting Agency Point of Contact (POC):

[INSERT AGENCY INFORMATION, AS INDICATED IN PARAGRAPH 2 BELOW.]

2) Name and Address of Servicing Agency POC:

Department of Energy (DOE)/Golden Field Office (GFO)
Office of Acquisition and Financial Assistance (OAFA)
Attn: *[Insert Name]* Contract Specialist
1617 Cole Boulevard
Golden, CO 80401

Part II. Ordering Information

1) Purpose of this Interagency Agreement

This Interagency Agreement (Agreement) authorizes the Requesting Agency to provide funds to the Servicing Agency for the purpose of obtaining Project Facilitator services in support of an Energy Savings Performance Contract (ESPC) project.

2) Scope of Work:

The Requesting Agency will obtain Project Facilitator services in support of the project at *[identify the project site]* in accordance with the scope of work attached to this Agreement as Attachment 1. *[Attach the appropriate standard package, or whichever specially priced scope of work prepared for the specific project site, as applicable to the Agreement.] [BE CERTAIN TO COORDINATE A NONSTANDARD SCOPE AND ITS ASSOCIATED PRICING WITH GREG MOORE/GFO, AND OBTAIN CONTRACTING OFFICER REVIEW OF THIS DOCUMENT AND ITS ATTACHMENT PRIOR TO PROVIDING TO THE AGENCY FOR REVIEW AND SIGNATURE.]*

3) Statutory Authority for transfer of funds:

This Agreement is entered into pursuant to the authority of 42 U.S.C. § 8287d, also known as the Skaggs Amendment. The Skaggs Amendment authorizes the Servicing Agency to perform reimbursable work for other agencies outside standard Economy Act procedures. The Skaggs Amendment is applicable as long as the objective of the proposed efforts is to assist another agency in achieving greater energy efficiency, water conservation or use of renewable energy by means of privately financed mechanisms, such as utility incentives and energy savings performance contracts. This authority is applicable even if a determination is ultimately made that a project being pursued is not a feasible alternatively financed project.

4) Costs Incurred:

DOE is required by internal financial procedures to attain full cost recovery for services provided against this and any Agreement that provides for Project Facilitator services. Although the negotiated price for this Agreement will be the best estimates for the anticipated Project Facilitator services there may be cases where a priced Scope of Work cannot be completed because of requests by the Requesting Agency for support beyond the scope, or for other reasons unforeseen at Agreement award. Therefore, the Requesting Agency hereby agrees that the Servicing Agency is not required to incur costs that exceed the negotiated price of this Agreement. The Requesting Agency further agrees that when notified by the Servicing Agency that costs incurred or anticipated to be incurred cannot be completed for the price of this Agreement, it will negotiate either a scope or price revision with the Servicing Agency accordingly.

5) Duration of Interagency Agreement:

The Period of Performance of this Agreement is from the date of bilateral execution of this Agreement through (specify period: depends on payment provisions and/or the length and extent of support; can be multiyear). The period of performance may be extended by mutual agreement of the parties via a modification to this Agreement to reflect that extension.

6) Termination:

This Agreement may be terminated by mutual agreement of the Servicing Agency and the Requesting Agency documented in a bilateral modification. This Agreement may also be unilaterally suspended by either party upon 30 days advance written notice to the other party. In the event of a termination of this Agreement, the parties will negotiate and agree to pay incurred costs and any termination costs, as applicable, related to this Agreement. After negotiation, any funds remaining will be returned to the Agency.

Part III. Financing/Payment Information

1) Accounting and Appropriation Data:

Appropriation Symbol: _____

Agency Location Code (Treasury format is 8 digits): _____

[Accounting and Appropriation Data for funding provided by the Requesting Agency shall be identified in the above format in this Agreement.]

Requesting Agency Financial Officer Certification: _____
[Insert Name] Date

Agency ID _____ Office ID _____

2) Payment:

Funds in the amount of \$ (to be specified depending on specific action, i.e., \$30K, special pricing with reduced SOW) will be provided by the Requesting Agency on or before the expiration date identified in Part II, subpart 5, Duration of Agreement of this Agreement. *[indicate the payment provisions: advance, from savings, over a period of year, or whatever else applies here.]*

3) Billing Instructions:

The Servicing Agency will collect from the Requesting Agency via U.S. Treasury Inter-government Payment and Collection System (IPAC). *[Specify here any other means as agreed upon by the parties here, if not by IPAC.]*

Part IV. Acceptance and Approval

1) Administrative Points of Contact--Servicing Agency

Contracting Officer: *[Insert Name]*

Phone: 720-356-____

Facsimile: 720-356-1550

E-mail: _____@go.doe.gov

Contract Specialist: *[Insert Name]*

Phone: 720-356-____

Facsimile: 720-356-1550

E-mail: _____@go.doe.gov

Financial Officer: Carrie Meade

Phone: 720-356-1696

Facsimile: 720-356-1770

E-mail: carrie.meade@go.doe.gov

Contracting Officer's Representative (COR):

The COR for this Agreement is: Greg Moore

Phone: 720-356-1725

Facsimile: 720-356-1760

E-mail: greg.moore@go.doe.gov

2) Administrative Points of Contact--Requesting Agency:

Insert agency information below.

Contracting Officer:

Phone:

Facsimile:

E-mail:

Financial Officer:

Phone:

Facsimile:

E-mail:

Technical Contact:

Phone:

Facsimile:

E-mail:

3) Approvals:

All signers hereby certify that the statements made on this form and all attachments thereto are true, accurate, and complete. Signers acknowledge they have the appropriate authority to commit their respective agency to the provisions contained in this Agreement.

Requesting Agency:

Servicing Agency:

[Insert Name]

Date

[Insert Name]

Date

Contracting Officer Contracting Officer

REMEMBER: THIS IS A TEMPLATE, AND SHOULD BE ADJUSTED TO ACCOMMODATE THE CUSTOMER AND THE SITUATION. PLEASE SEND TO THE GOLDEN FIELD OFFICE FOR REVIEW AND FOR ASSIGNMENT OF THE CONTRACT SPECIALIST AND CONTRACTING OFFICER PRIOR TO SIGNING.

**Agenda:
PA Development Telecon**

- Introductions
 - Agency CO & COR
 - ESCO Project Manager
- Status of PA development Schedule
 - ESCO Input on status of PA submittal Schedule
 - Discuss Timeline and pending actions
- Status of Data Collection from site visits
 - Discuss any issues (site access/security)
- Discuss any initial findings on proposed ECMs
- Project discussions on meeting customer expectations
- Discuss availability of ESCO's PA components for review prior to PA submittal
 - Risk/Responsibility Matrix
 - Utility rate baseline and escalation rates
 - Other:

ESPC Project Review Comment Template

Project No./Name:		Date of Document:	
Contract No.:		Comments Due By:	

Type of Submittal/Deliverable				Reviewer	
Preliminary Assessment		Commissioning Report		(Name)	(Date)
IGA Midpoint Review Meeting		Post-Installation M&V Report			
Investment Grade Audit		Year 1 Annual Report		(Phone)	(Email)
Commissioning Plan		Other (ID):			

No.	Dwg., Page#, or Spec. Sect.	Reviewer Comment	Reviewer	Comment Response	Response Accepted or Additional Discussion
General Comments (insert rows as needed)					
ECMs (insert rows as needed)					
ECMs (insert rows as needed)					

No.	Dwg., Page#, or Spec. Sect.	Reviewer Comment	Reviewer	Comment Response	Response Accepted or Additional Discussion

**SAMPLE/TEMPLATE
NOTICE OF INTENT TO AWARD LETTER**

[Date]

[Name of ESCO]
[Address of ESCO]

SUBJECT: [ESCO contract number; project identification]

Dear [ESCO]:

We are pleased to inform you that you have been selected to provide energy savings performance contract services for [site name]. This notice of intent to award a task order against your DOE IDIQ ESPC contract, however, is subject to your successful satisfaction of the requirements contained in Sections H.5, H.6, and H.7 of that contract. Specifically, you are required to perform an Investment-Grade Audit of the applicable project site facilities and energy systems within [#] days of this notice and to provide a final proposal summarizing the survey results to the undersigned Contracting Officer. The survey shall be conducted in accordance with the requirements of Section H.5 of your contract. The proposal and financial schedules submitted must verify the estimated annual cost savings proposed for this project. Otherwise, the pre-award requirements of Sections H.5, H.6, and H.7 will not be considered to have been met, and negotiations and award will not be pursued further.

Upon receipt of the final proposal and its financial schedules, the Government will notify you when negotiations can commence. You are also reminded to take necessary actions to obtain the required financing and bonding (if required) for this project, as required by Section H.8 of your contract. These pre-award requirements will also require satisfaction once negotiations are completed and prior to issuance of the intended award.

Should you have any questions, please contact the undersigned Contracting Officer at [phone number].

Sincerely,

[CO signature]

[Name]
Contracting Officer
[Affiliation]
[Address]

Phase 3: IGA to Award Document Deliverables



DOE ESPC
TASK ORDER REQUEST FOR PROPOSAL (TO RFP)
TEMPLATE
(11/20/08)

INSTRUCTIONS FOR USING THE TEMPLATE

The TO RFP is used to communicate agency- or site-specific terms and conditions for the project to the ESCO. The DOE IDIQ contract permits such revision, per section C.1.3:

C.1.3 Unless otherwise stated, all provisions that follow throughout the remaining sections of this master IDIQ contract may be revised within the overall scope of the contract, as necessary (based on the needs and regulations of the agency), in an agency TO Request for Proposals (RFP).

The TO RFP becomes a part of the task order, along with the IDIQ and the ESCO's final proposal, and its provisions override those of the IDIQ.

Contract sections in the template appear in plain arial font; instructions and notes appear in bold italics.

This template includes sections of the IDIQ in which changes or specific instructions may be required or are usually appropriate. Numbering of the sections in the TO RFP matches the numbering in the IDIQ contract. Sections that were not originally included in the template may be added to the TO RFP and revised as needed.

To be deleted from the final TO RFP before issuance:

- The first page of the template (instructions)
- Contract sections that are not changed
- All notes and instructions (***bold italics***)

IGA Kickoff Meeting Agenda

Introductions/Roles

- Welcome by site person (Agency)
- Introductions and roles of each person in the project (PF)
- Objectives of the meeting (PF)

Setting the Stage

- Discussion by Agency/Site of interest, goals, objectives and priorities (Agency)
- Levels of management support (Agency)
- Discussion on scope, buildings, areas and ECMs to be considered (Agency)
- Project development schedule – 12 month target (PF)

Setting Expectations

- Site Data
 - Building environmental/performance requirements (Agency)
 - Long term plans at the site-additional capacity, utilization, demolition, new construction (Agency)
 - Discussion of PA ECMs, additional ECMs, and exceptions (Agency)
 - Contract term, total investment parameters (Agency)
 - O&M services, R&R responsibilities and O&M savings (Agency)
 - M&V/savings verification approach (Agency/ESCO)
 - Energy and escalation rates, rebates, financial incentives (Agency/ESCO)
 - Codes, regulations, hazards, other considerations/issues (Agency)
 - Categorical Exclusions – environmental documentation (Agency)
 - Design Intent – Commissioning requirements (Agency)
- Questions/answers on TO RFP document or attachments (PF)
- Renewable Energy/Technology Deployment Matrix (PF)
- Assure Energy Star/FEMP EE Project requirements met (PF)
- Address Life of Contract planning prior to task order award (PF)

Preliminary Audit Process

- Contractor discussion of their plans for PA phase (ESCO)
 - Logistics and access; testing/metering to be accomplished
 - Security – restricted areas, escorts, etc.
 - Safety requirements – training, hazards
- Process discussion – reviews (copies), document transmittals, etc. (ESCO)
- PA requirements; what does it look like (components/revised proposal) what needs to be approved (ECM package, savings estimates, baseline, M&V plan, etc.) (ESCO)
- Government discussion/expectations of what needs further investigation (Agency / ESCO)

Communications Protocols

- Establish leads and discuss responsibilities (Agency/ESCO)
- Establish frequency and method of communications – emails, conference calls (Agency/ESCO)
 - Protocols for bringing new people in/exiting others – responsibility for passing on information and informing the team

Project Timeline/Wrap-Up/Next Steps

- Schedule/timeline with significant milestones to award
- Recap of action items; schedule for development meetings/calls.

IGA Midpoint Review Meeting Agenda

Introductions/Roles

- Welcome by site person (Agency)
- Introductions and roles of each person in the project (PF)

Objectives of the Meeting

- Achieve understanding of what is proposed
- Gather all comments to deliver to ESCO

Review Items

- Executive Summary
- High-level look at TO Schedules
- ECM technical descriptions
- M&V Plan
- Management Approach
 - Organization
 - Risk, Responsibility, and Performance Matrix
 - O&M, Repair & Replacement
 - Training
- Price Proposal
 - TO Schedules
 - Budgets
- Appendices

Wrap-Up/Next Steps

- Discussion of steps following comment delivery to ESCO
- Comment finalization by:
- Send further comments to:
- Is a follow up call or meeting required prior to sending comments to ESCO?

IGA Review Workshop Agenda

Introductions/Roles

- Welcome by site person (Agency)
- Introductions (as needed by PF)

Objectives of the IGA Workshop

- Bring all parties together to identify, discuss, and reach agreement on all remaining issues to enable Task Order award.

Resolution of Remaining Issues

- Final project scope
 - ECM technical descriptions
 - M&V
 - Risk, Responsibility, and Project Performance
 - O&M, Repair & Replacement
 - Training
- Price Proposal
 - TO Schedules
 - Pricing
 - Financing
 - O&M, Repair, and Replacement
- Other Items

Award Plan

- Plan/schedule for Task Order award.



IGA Review Checklist
ESPC Process Doc. P3-03
r. 11-01-14

Responsibility: PF

INVESTMENT-GRADE AUDIT: REVIEW CHECKLIST

Project Name _____

FEMP ID# _____

Agency _____

Project Facilitator _____

Date of Review _____

Overall

- IGA content consistent with Agency requirements
- All buildings included in the scope are appropriate given facility master plan
- Overall percentage energy and cost savings are reasonable
- Rebates and incentives were adequately pursued by ESCO
- Risks of emerging/underutilized technologies properly identified and brought to Agency's attention as necessary
- Where Agency accepting O&M responsibilities, reviewer has assessed the likelihood of problems and their potential impacts, and has brought these to the Agency's attention
- Risk, Responsibility, and Performance Matrix consistent with Agency expectations
- M&V strategies and costs provide good balance between cost and Agency risk
- Reviewer has assessed the overall reliance on Option A methods to ensure appropriate, given risks.
- Reviewer has examined percentage of project savings from electricity, gas, other fuels, water, and O&M, to identify where M&V should be focused
- Reviewer's written comments provided to Agency, and all comments, analysis, and supporting work archived and recallable upon request

For each form of energy and water (duplicate for each type of energy):

- Energy type: _____
- Baseline unit rate adequately documented.

- If blended rates are used, the methodology for calculating them is valid.
- Escalation rate adequately documented and consistent with FEMP guidance.

For each ECM (duplicate for each ECM):

- Technical Category: _____
- ECM Name: _____
- FPE notified of need for technology expert review, if necessary
- ECM suitable for intended purpose and consistent with agency requirements
- Construction cost consistent with similar ECMs in recent projects
- Proposed construction schedule reasonable and consistent with previous projects
- Commissioning plan is adequate
- Methodology used to calculate baseline energy use adequate and supported by the included measured data
- Operating hour and other assumptions are reasonable and well-documented
- Energy savings estimate consistent with similar ECMs in recent projects, and is adequately documented
- Interactive effects with other ECMs considered in the calculations
- Assessed the need for expert review of building models (DOE-2, EnergyPlus, etc.) and obtained secondary reviews as necessary
- Simulation models adequately calibrated
- Sampling of equipment to calculate baseline performed correctly
- Energy cost savings calculation consistent with energy savings estimate and baseline energy unit prices.
- Energy-related O&M cost savings reasonable, well-documented and consistent with FEMP guidance, and supported by customer evaluation
- Added O&M costs for additional equipment adequately documented, and included in cash flow
- For ECMs with expected useful life less than project term, replacement plan is documented
- Post-installation M&V activities appropriate and adequate to determine potential to provide savings
- Annual M&V activities adequate and consistent with current FEMP guidance
- Planned measurements during post-acceptance M&V confirm performance as opposed to confirming operation
- Any sampling performed during M&V is adequate and consistent with FEMP guidelines

- Where M&V method depends on customer-maintained equipment, reviewer comments address the potential risks and/or recommend backup plan
- Where ECMs or M&V depend on connection to military LAN, reviewer comments address potential risks

TO Schedules

TO-1

- Implementation period savings and payments consistent with Agency expectations and FEMP guidance
- Estimated annual cost savings traceable to and consistent with ECM-level calculations
- Guaranteed cost savings consistent with estimated annual cost savings
- Annual contractor payments consistent with guaranteed cost savings, and are less than guaranteed savings in each contract year

TO-2

- Implementation expense of each ECM traceable to pricing calculations in body of IGA
- M&V expense for each ECM adequately documented

TO-3

- Implementation price consistent with total on schedule TO-2
- Performance period service prices adequately documented and consistent with previous projects of this size
- Interest payments for each year consistent with project interest rate and loan balance
- Loan balance correct for each year

TO-4

- Energy baseline and savings for each ECM and each form of energy consistent with calculations provided in the IGA
- Energy cost savings for each ECM and each form of energy consistent with energy savings and energy unit costs
- Other energy-related O&M costs for each ECM consistent with documentation in IGA

TO-5

- Cancellation ceiling for each year is consistent with remaining principle per Schedule TO-3 and agreed-upon cancellation penalty ceiling

Summary of Key Issues/Findings (List main areas of concern identified in review)

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ESPC Project Financial Review

1. Requested by:
2. Date request received:
3. FEMP Project Number:
4. Date of Offer:
5. Project Investment:
6. One-time pre-performance period payment:
7. Post-acceptance performance period:
8. Offered project interest rate:
9. Calculated like-term Treasury rate:
10. Based on yield curve of:
11. Calculated premium:
12. Current rolling average premium:
13. Interest rates of projects awarded during the past three months:
14. Corresponding premiums:
15. Recommendations:
16. Prepared by:
17. Date submitted:

Attach Schedule TO-3.

Debrief for ESPC Projects

Date: _____

Project No./Name: _____

Agency: _____

Participants: _____

Project Overview: _____

Completed Phase for Debrief: Development(Award) Implementation(Build)

1. In the just completed phase of this project, what things worked especially well?

2. What aspects did not work or work well?

3. Did anything unexpected happen? How could we better prepare for the unexpected event? Where there unexpected risks that occurred in this phase?

4. If you were repeating this project and money, time, and resources were not a factor, what 2-3 things would you do differently? What adds would you make toward achieving over-the-top success and excellence in execution?

5. Were there areas of support that the customer found of limited value? Most value?

Phase 4: Project Implementation
(Design to Acceptance)
Document Deliverables

Construction Kickoff Meeting Agenda

Introductions/Roles

- Welcome by site person or contracting officer
- Introductions and roles of each person in the post-award phase
- Objectives of the meeting

Organization and Communications (Agency/ESCO)

- Function and authority of key agency personnel
- Function and authority of ESCO key personnel
- Roles and responsibilities of agency and ESCO
 - Emergency notification process
 - Communication protocols (process, emails, approvals, etc.)

Reporting Requirements/Post Award Deliverables (Agency/ESCO)

- Ensure understanding of deliverables (i.e., design & construction package submission)
- Approvals required prior to construction release – submittal & drawing review/approval.
 - Confirm requirements for Notice to Proceed (NTP)
- Scope Changes
- Deliverables
 - Site safety plan
 - Quality control plan
 - Bond & insurance
 - Updated organizational chart (if needed)
 - Updated implementation schedule

Contract Clauses (Agency/ESCO)

- General and Construction Contract Clauses
 - Ensure understanding of all related post award clauses associated with the construction portion of the delivery order requirements (i.e., payroll records, subcontractor requirements)
- Government Furnished Property & Contractor Furnished Material (applicable or not applicable)

Site Specific, Facility Access & Security Requirements (Agency/ESCO)

- Project Office/ Siting approval
- Contractor personnel site and/or building access requirements
- Security badging process and badging/ lower-tier subcontractor list
- Escorts – process and coordination
- Restrictions/Allowable equipment (e.g. cell phones, laptops and radios)
- Vehicle access approval requirements
- On and off-hour access
- Keys (If applicable)
- Vehicle licensing /registration

- Staging/lay-down yard and/or office space allocations for contractors

Design/Construction (ESCO)

- Construction Schedule
- Design and design review schedule
- Schedule for design/construction update meetings
- Project status reports
- Plan of the Day (POD)/Plan of the Week (POW) meetings during construction (see page 2 sample agenda)
- Engineering drawing approval requirements (prior to construction)
- Equipment data sheets, submittal review and approval process
- Specification review and approval process
- Project charter and partnering session
- Weekly meetings

Safety & Environmental Planning (Agency/Site Staff)

- Site Specific Safety Plan, Worker licensing and certifications
- Burn permit approval requirements
- Safety training
- Hazardous materials
 - Either stored or as a part of the facility, have been located and identified
 - Site specific requirements for hazardous material handling identified
 - Asbestos, MSDS, PCB's, lead based paint, etc.
- Site injury reporting and response requirements
- Environmental permits prior to construction

Outages/Permits (Agency)

- Utility service interruption permits approval
- Utility reconnect permits approval (including hot-work permits)
- Site personnel support for outages
- Service interruption scheduling
- Low voltage outage permits

Planned Agenda for POD/POW Meetings (ESCO)

- Objective
- Safety
- Quality control (expectations/documentation)
- Commissioning
- Measurement and Verification
- As-built(s)
- Acceptance
- Training
- Crane movements and locations reviewed for overhead hazards
- Construction start coordination requirements
- Long lead times

- Worker certifications (welding, electrical, etc.) up-to-date
- Site debris and removal
- Punch list
- Look Ahead Schedule (30, 60, 90 days)

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